

Growing Michigan Together Council

Jobs, Talent, Economy Workgroup

August 22, 2023



MICHIGAN DEPARTMENT OF
LABOR & ECONOMIC
OPPORTUNITY



Why Does Population Growth Matter?

Our mission is to make Michigan a more prosperous state.

- In 1979 Michigan had the 13th highest per capita income in the nation. We are 38th today.
- After the Great Recession, Michigan's ALICE rate population grew by more than 250,000 and today more than one million people do not earn enough income to meet basic expenses.
- Jobless rates and average length of unemployment duration varies by race and ethnicity, with African Americans and Hispanics disproportionately impacted.

Attracting more high wage jobs to Michigan requires a more educated workforce.

- Of the top 10 states identified by Business Leaders for Michigan, five are ranked in the top 10 for educational attainment. Michigan is 38th.

Education and training alone isn't enough.

- Michigan's labor force participation rate has trailed the nation since 2001.
- Michigan has led the Midwest in labor force growth since 2019. **BUT** Michigan's prime age labor force was top five for **largest decrease** from 2005 to 2018.
- Under Gov. Whitmer's leadership, Michigan has made a lot of progress towards our 60x30 educational attainment goal, but other states got a head start.

Bottom line:

To create more high wage jobs for Michiganders, we must attract more people to Michigan with in-demand degrees and credentials.



Building a Stronger Michigan

LEO Strategic Plan
FY22 – FY26

STRATEGIC FOCUS AREAS

A Close equity gaps

Prioritize closure of socioeconomic / demographic opportunity gaps in all decision making.

B Create better jobs and support small businesses

Become the benchmark of economic development by supporting the creation of good and promising jobs that make Michigan's economy more resilient, while implementing the state's first small business strategy that includes focusing on microbusinesses. Address talent shortages in current and future growth sectors in every region of the state.

C Educate Michiganders and grow the middle class by removing barriers to employment

Support education, training, onramps, certifications to make sustaining wages more attainable. Address barriers including housing, transportation, healthcare, childcare, language, and placement. Address talent shortages in current and future growth sectors in every region of the state.

D Protect and enhance health, safety, and economic security for workers

Ensure safe working conditions, fair wages, and labor protections.

E Build strong communities and have great places to live

Create a strong foundation for communities to grow by making historic investments in broadband, housing, and other critical infrastructure. Invest in developing vibrant places with rich amenities.



Michigan's Comprehensive Approach to Workforce Development

With guidance from the *Governor's Workforce Development Board*, input from *multiple state agencies*, and *partnership from local workforce boards, independent community colleges, and other important stakeholders*.

Michigan's workforce system is premised on two central ideas:



Increasing skills and educational attainment leads **to increased workforce participation, lower poverty, and higher wages.**



Using labor market data and employer feedback to inform training and curriculum **ensures students and trainees have the right skills to meet employer demand.**

Partnerships



How We Deliver Training Across the Full Spectrum of Need

Federally-Funded Short-Term Training

Michigan is **#1** in the nation for helping those who have lost their job get re-employed.

Post-Secondary Attainment

Michigan set to be **top 15** higher ed financial aid availability, up from bottom 15.

Apprenticeship/ Pre-Apprenticeship

- On a national scale, Michigan is:
 - **6th** in active apprentices
 - **8th** in new apprentices
 - **9th** in completions
- Registered apprentices' median annual wages are \$70,075.
- Businesses who are Registered Apprenticeship Sponsors are likely to retain skilled workers - 90% retention.



Strengthening Michigan's Economic Foundation

**Expanding Access to
Post-Secondary Education**

**Michigan
Reconnect**

Creating Better Jobs

**Going PRO
Talent Fund**

**Removing Barriers
to Employment**

Barrier Removal (BRES)

**Developing
Michigan's Workforce**

- Federally-funded Training
- Apprenticeships
- EV Academy



■ Michigan Reconnect

A strong state – and a strong economy – requires a concentration of talented people who are prepared to compete in a modern workforce and solve future challenges.

Together we can build a better Michigan for all.

■ Federally-Funded Workforce Training

Serving Individuals

250,141
served

22,057
credentials earned

57,326
trained

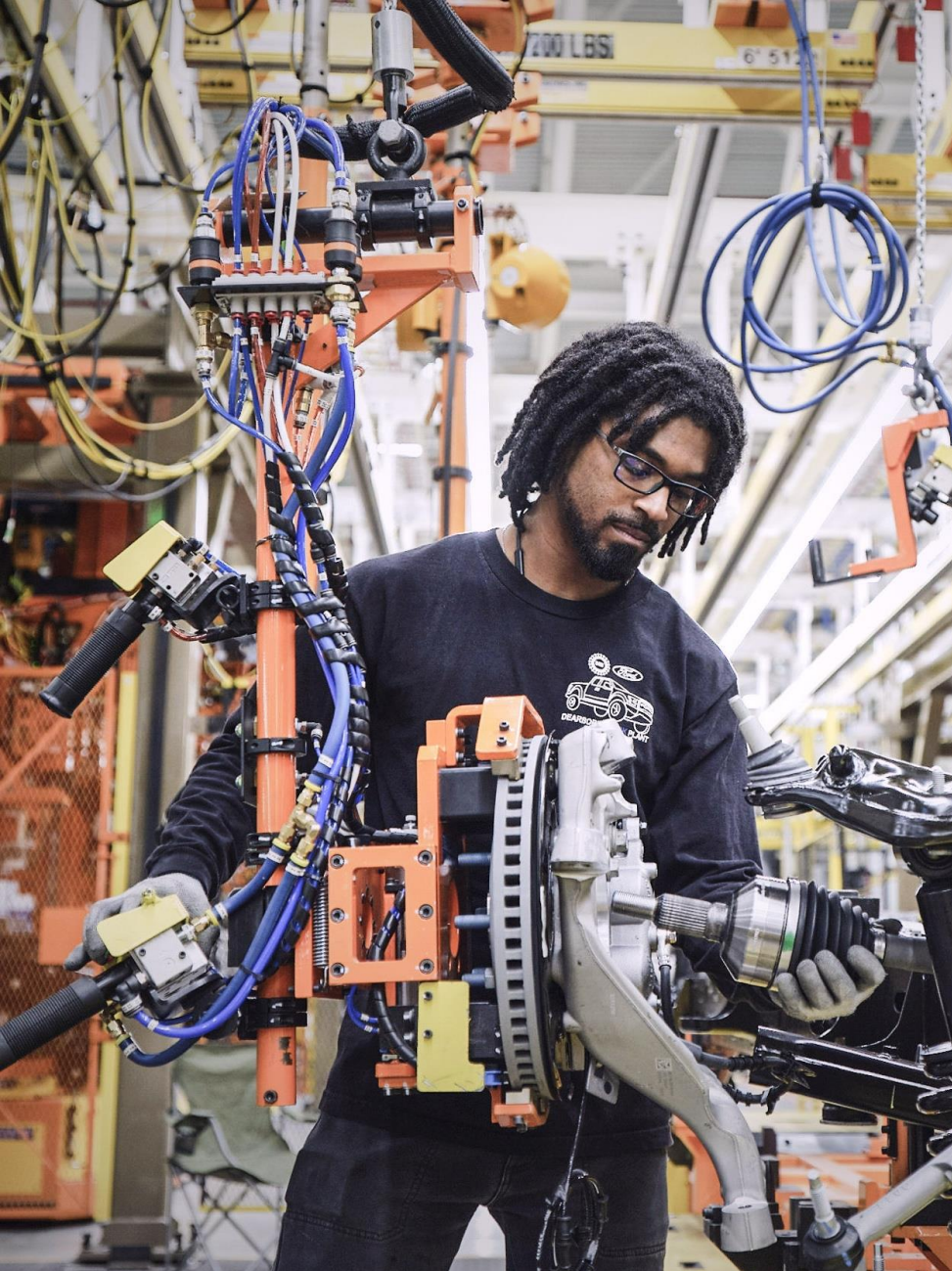
105,711
employed

- Largest funding source of training support
- Michigan is **#1 in the nation** for helping those who have lost their job get re-employed and participants served
- Leads **ALL Midwestern states** in helping people reenter the workforce.

■ Employer-Led Collaboratives

- ELCs are a group of businesses coming together to solve a common or shared workforce challenge.
- Through our support, more than 30 Michigan ELCs have:
 - Engaged **528** employers
 - Benefitted **2,500** participants
 - Helped workers attain nearly **1,200** credentials





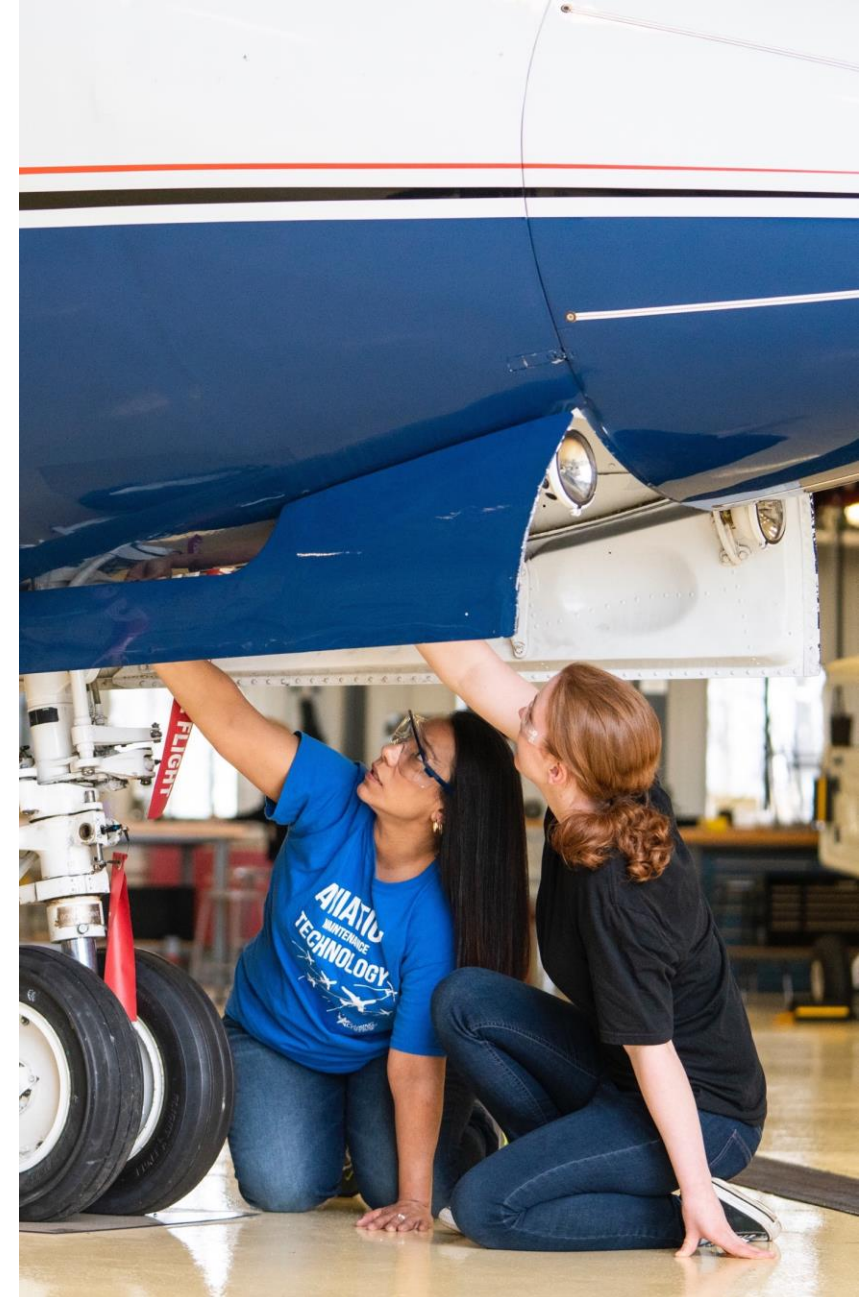
■ EV Jobs Academy

- \$5M awarded to develop and expand highly qualified and skilled workforce in automotive mobility and electrification industry.
- Collaborative approach to develop education and training solutions.
 - *More than 100 partners involved.*



■ Going PRO Talent Fund

- Launched in 2014 to assist employers with training, developing and retaining employees.
- Training to more than **170,000 Michigan workers** at more than **6,000 businesses**.
 - *60% of which are small businesses with less than 100 employees*
- Participating workers see nearly a 10% increase to hourly wages because of training.





■ Expanding State Apprenticeships

- More than **\$27M** in USDOL registered apprenticeship expansion funds invested in Michigan since 2019.
- Federal grants and **\$25M** in FY23 budget support more than **8,000 new apprentices** by 2027.





Data and Employer Feedback

Primary Source



Supplemental Sources

- 1 State and local workforce development boards
- 2 Industry-led Collaboratives, Employer-led collaboratives and feedback sessions on programs
- 3 Strong connection to MEDC

How we close any gaps or address need that doesn't show up in the data.

Example #1



Example #2





Future Needs, Challenges & Opportunities

■ Immigration as a Growth Force

- Immigrants start more businesses, stay employed longer/more consistently, and have children at a higher rate.
- The only areas in Michigan that have shown growth (and growth at or above the national average) are on average 3x more diverse.
- Michigan is excelling at international migration growth/attraction, but NOT in retention.

■ Regional Resiliency Fund

- A flexible fund dedicated towards funding large-scale regional planning and projects in alignment to the GMTTC's goals should be considered.
- Strong regional collaboration and coordination is critical method to helping ensure the council's policies have a transformational impact for Michigan's communities and economy.





■ Entrepreneurship & Innovation

- “Nearly all of the country’s net job creation has come from **startup businesses** over the past two decades” - Economic Innovation Group
- Furthermore, venture-backed companies create roughly 10% of new jobs nationally, with a disproportionate amount in the high-wage, high-skill category, as well as over 20% of GDP nationally. **Strong Michigan venture firms are a critical factor in the success of Michigan startups.**
- [Research](#) suggests most teens want to start their own businesses – a strong entrepreneurship climate will make Michigan attractive to the next generation.

■ **Going PRO Talent Fund Expansion and Flexible Funding for Workforce Development**

- Michigan has made strong progress in growing its labor force in the last two years. Michigan could further grow its labor force and fuel growth by meeting unmet demand for Going PRO, while scaling up flexible dollars to address workforce needs not supported by federal funding.
- Going PRO brand could also be extended into attraction deals with innovative changes to program mechanics and more available dollars.



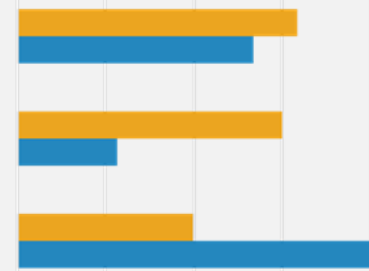


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Placemaking is a Magnet for Talent Growth

Community and business leaders were asked to “rate the importance of each of the following community amenities to attracting talent to your community.”

Variety of housing options
Local, unique business options (shopping, dining)
Broadband or fiber optic internet



Top three amenities needed to attract talent:

- Housing
- Local and Unique Small Businesses
- Broadband

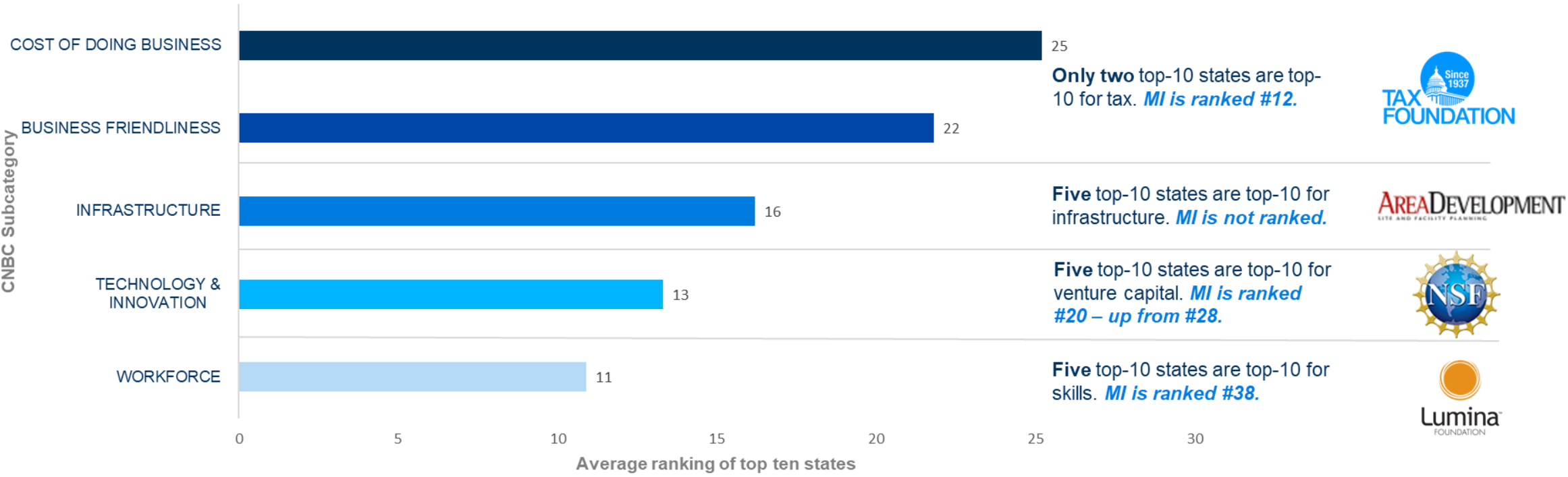
Source: Erica Noble and Kate Ahlers, MEDC Customer Experience Team, 2021 MEDC Voice of the Customer Surveys

■ Communities
■ Business

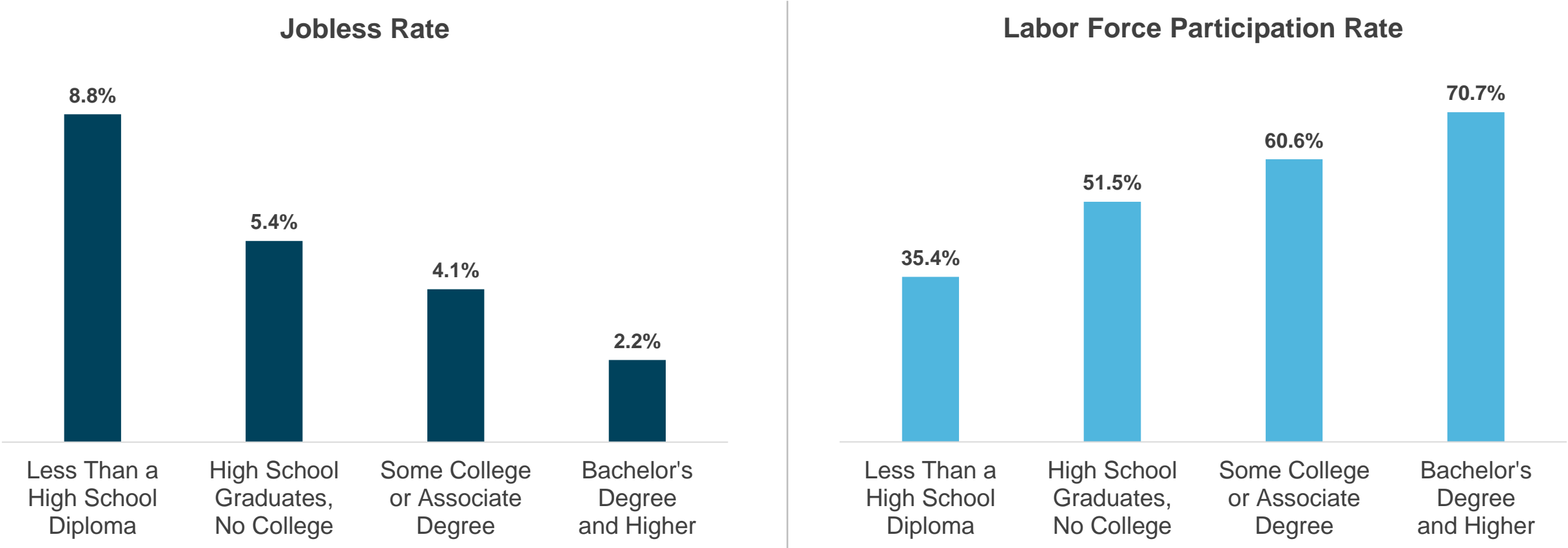
We are working to create the investment climate for sustained economic opportunity for all.

Michigan is ranked as the **16th best state for business** in 2022 – up from 24 in 2019. To make a leap for top 10, we must continue to invest in **infrastructure, workforce and innovation.**

CNBC Best States For Businesses Have Strong Infrastructure, Innovation & Workforces



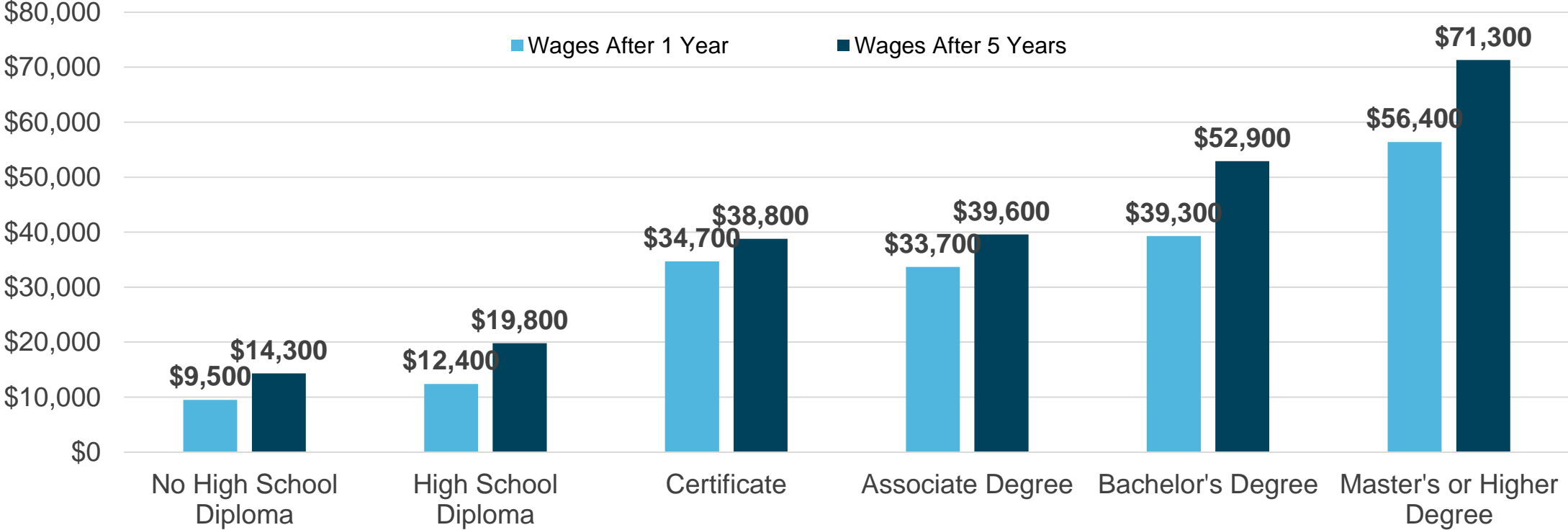
Jobless rates tend to be much higher for individuals without a high school diploma or those without additional education beyond a GED. Labor force participation rates are also lower for these groups.



Source: Current Population Survey, 12-Month DEMECON July 2021-June 2022; U.S. Census Bureau

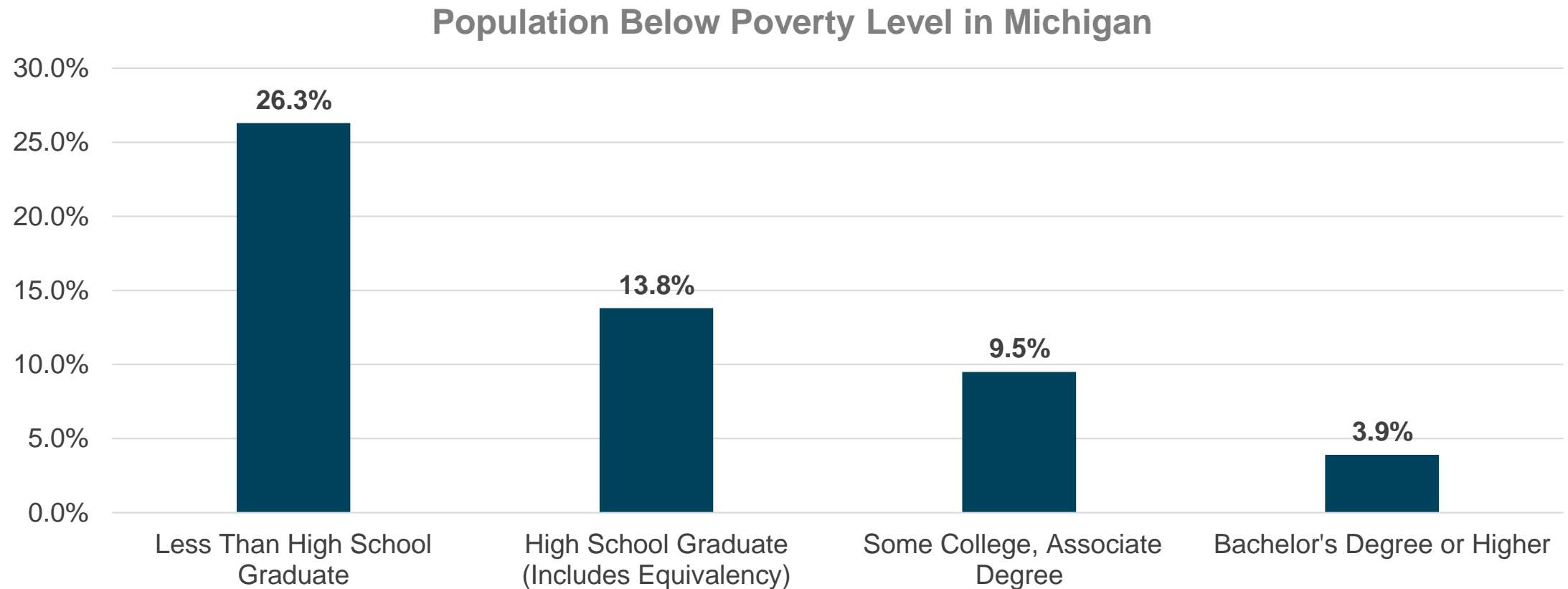
Median annual wages increase with higher educational attainment. Outcomes for recent graduates show significant increases in wages with postsecondary education.

Median Annual Wages by Educational Attainment



Source: MiSchoolData

Postsecondary education is correlated with lower poverty rates in Michigan. Completing high school or equivalent had a poverty rate nearly 13 percentage points less than not completing.



Source: American Community Survey, 2019 1-Year Estimates, U.S. Census Bureau